

DECISION

THE COMPTROLLER GENERAL
OF THE UNITED STATES
WASHINGTON, D. C. 20548

FILE:

B-113638, 69

DATE: JUN 20 1975

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MATTER OF:

Authority of District of Columbia General Hospital
to use revenues accruing from Special Patient Services

DIGEST:

1. Administrators of D.C. General Hospital are authorized to provide special patient services, including food services, cosmetological and barber services, television rentals, and similar activities under authority to provide comprehensive hospital care and treatment.
2. Receipts from special patient services at D.C. General Hospital must be deposited in District's general fund and may not be retained to operate services, absent legislation by District of Columbia Council so providing.

This decision is rendered at the request of the Mayor of the District of Columbia who asks:

"A decision is requested as to whether revenue generated by such activities as vending and over-the-counter food services, cosmetological and barber services, television rental, and other similar activities undertaken at the District of Columbia General Hospital may be retained without specific authorization and utilized through either or both of the following ways:

- "(a) by the D.C. General Hospital Employee Recreation and Welfare Association for use for the benefit of patients and employees at the municipal hospital; or
- "(b) by the administrators of D.C. General Hospital for placement by them in a special revolving fund, with the proceeds of such fund to be used solely for the benefit of patients."

The Mayor states that:

"It should be noted that D.C. General Hospital is the principal hospital in the District of Columbia established to provide medical care and treatment for indigent citizens of the city. Each year the hospital treats approximately

10,000 inpatientss and 150,000 outpatients who are unable to afford, or for whom the hospital has thus far been unable to provide, such amenities as are normally found in other large medical centers. Administrators at D.C. General Hospital cite the lack of such amenity services and facilities as attractive patient lounges, television rental, patient library and shopping services, as well as other similar facilities, as a significant area for need of improvement. They further stress that such services for patients have come to be accepted features of a hospital environment which are important for patient care and are factors for the efficacy of therapy. Unfortunately, budgetary constraints require that priority in the use of appropriated funds be given only for more basic operational needs. Therefore, the intent, if permissible, is to use the funds generated by the services themselves to provide for the cost of their operation, either through the employee association or through a revolving fund."

The D.C. General Hospital is a municipal hospital which, as the result of several reorganization plans, is now a part of the D.C. Department of Human Resources. See the note following section 32-308, District of Columbia Code (1973 ed.). The most explicit statement of the functions of D.C. General hospital is found in section D of Part IV of Organization Order No. 141, issued by the former Board of Commissioners in 1964 (D.C. Code, Appendix to title I, p. 215), which described the hospital as follows:

"1. D.C. General Hospital.--Provides comprehensive hospital care and treatment including inpatient services, outpatient services and emergency room treatment; conducts medical research; and maintains intramural and extramural training facilities and services for medical, nursing and other hospital personnel."

The current appropriation for fiscal year 1975 for the Department of Human Resources is made in the District of Columbia Appropriation Act, 1975, Pub. L. No. 93-405, approved August 31, 1974. Nothing in the Appropriation Act or its legislative history indicates that any specific consideration was given by the Congress to funding patient services at the hospital such as those described in the submission of the Mayor.

We believe, however, that there is authority for the administrators of D.C. General Hospital, in their discretion, to provide amenities and services for hospital patients under the broad mandate of Organization Order No. 141, quoted above, to provide "comprehensive hospital care and treatment" including inpatient and outpatient services. As the Mayor's letter indicates, such services have become accepted hospital features and are important

for patient care and therapy. However, as the Mayor also indicates, budgetary constraints at D.C. General Hospital require that appropriated funds be used for more basic operational needs. Therefore, the Mayor's proposal is "to use the funds generated by the services themselves to provide for the cost of their operation * * *." We understand that the hospital administrators anticipate that the services would be self-supporting.

The difficulty with the proposal is that sections 47-126 and 47-310 of the D.C. Code (1973) provide that all fees, appropriated funds, and revenues of the District from taxes or otherwise shall be deposited in the Treasury of the United States to the credit of the District's general fund.

The Self-Government Act provides, in section 450, that the general fund of the District shall be composed of revenues which, on the effective date of title IV (January 2, 1975), are paid into the United States Treasury and credited to the District's general fund or miscellaneous receipts, but special funds existing prior to the date of enactment (December 24, 1973), are excepted. Section 450 further provides that the D.C. Council may establish additional special funds as necessary from time to time and that "all money received by an agency, officer, or employee of the District in its or his official capacity shall belong to the District Government and shall be paid promptly to the Mayor for deposit in the appropriate fund."

Under these statutory provisions, the receipts from the proposed patient service activities at D.C. General Hospital would be required to be deposited in the District's general fund and could not be retained at the hospital to operate the services. Therefore, legislation in accordance with section 450 of the Self-Government Act by the District Council to create a special fund for that purpose would be required.

On the question of whether the patient services should be administered by the hospital administrators or alternatively, by the hospital employees' association, we believe it would be more appropriate for the administrators to do so because the services would be an integral part of the hospital's duty to provide comprehensive patient care. An example of legislation creating a revolving fund for similar purposes is found in chapter 75 of title 38, United States Code (1970) which established the Veterans' Canteen Service in the Veterans Administration.

Attest Comptroller General
of the United States